

Iowa regents launch major operations review



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Benjamin Roberts, Iowa City Press-Citizen

Members with the Local 896/COGS, a student labor union for teaching assistants, protest during a town hall-style meeting at UI Phillips Hall on Friday.

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IOWA CITY, Iowa | Iowa regents and consultants launched a major review of operations at the state's three public universities Friday, urging anxious employees to consider rising student debt as they look broadly for ways to cut costs.

During a town hall-style meeting in a University of Iowa lecture hall, regents and project managers from Deloitte Consulting LLP said the review could identify cuts to administration, academic programs and support functions. They said it could also lead to some services being located on one campus but used by all three, and savings in the way the universities buy goods and services.

Regents President Bruce Rastetter called the review "critical and long overdue," saying it's the first of its kind in nearly 30 years. He said the universities must find ways to operate more efficiently as the percentage of funding from state tax dollars has shriveled while the amount coming from tuition revenue has ballooned. Tuition now makes up 70 percent of the universities' funding, compared to 30 percent decades ago, which has fueled "staggering loan debt" for graduates, he said.

"The status quo is unacceptable," he told the crowd of about 200, who were mostly faculty and staff members.

The regents have hired Deloitte at an initial cost of \$2.5 million to study the University of Iowa, Iowa State University and the University of Northern Iowa. The consultants are expected to present cost-saving recommendations to regents in the fall. Regents say they expect to save millions of dollars, which will be used by universities to invest in priority areas.

Friday marked the beginning of Deloitte's work on campus in Iowa City, where the consultants plan to conduct more than 200 interviews next week. Deloitte requested extensive information last week about budgets, programs and policies, requiring some employees to cut short their spring breaks to compile it. Similar visits to Iowa State and UNI are planned in coming weeks.

University employees asked questions Friday that underscored the skepticism and anxiety that have accompanied the review. The questions, submitted anonymously and read by a university official, showed concern about job cuts and the elimination of academic programs offered on multiple campuses. Others questioned how Deloitte could understand the universities' operations in such a short time and whether it would be possible to use any cost savings to launch new initiatives and reduce tuition.

Rastetter said after the meeting that the review should minimize the need for some of the double-digit tuition increases the regents have approved in years past. He said it would also help convince lawmakers to keep increasing funding by showing that the schools "have found as many efficiencies as possible." Some of the savings might be used to fund more scholarships, but reducing student debt over the long term will require other steps to help them graduate in four years, Rastetter said.

Rastetter promised that the regents would not act on any of Deloitte's recommendations until the public has time to review them.

Deloitte project director Rick Ferraro urged the crowd to "think of the parents' debt, as well as the student debt" as the review unfolds. He said the goal was not to just "cut, cut, cut" but to keep the universities competitive with peers nationwide.

"This, economically, is not a sustainable system. Something has to be done," he said. "Iowa, if it doesn't attempt to innovate and address these challenges, runs the risk of being left behind."

Ferraro said the review may lead to recommendations to cut the workforce but that he had no idea yet. He called one question "relevant and insightful" about how services such as information technology would be governed if they were consolidated to one campus but served the different needs of all three.

"There are ways to deal with that" by creating an appropriate management structure, he said.

University of Iowa President Sally Mason said that employees were understandably anxious about the review, and that she shared their concern.

"We're watching very closely to make certain that what we do is for the long-term health and benefit of the institution," she told reporters.

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